

Introduced by Senator Wyland

February 2, 2009

An act to amend Section 678.3 of the Insurance Code, relating to professional liability insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 119, as introduced, Wyland. Professional liability insurance: insurers: bad faith.

Existing law prohibits the bringing of an action for statements made in bad faith against an insurer issuing professional liability insurance policies to health care providers unless the statement was made under a specified circumstance. Under existing law, that provision is repealed as of January 1, 2011, unless another statute deletes or extends that date.

This bill would delete that date.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 678.3 of the Insurance Code is amended
- 2 to read:
- 3 678.3. (a) There shall be no liability on the part of, and no
- 4 cause of action of any nature shall arise against, any insurer which
- 5 issues professional liability insurance policies to health care
- 6 providers or its authorized representatives, agents, or employees,
- 7 or any licensed insurance agent or broker, for any statement made,
- 8 unless shown to have been made in bad faith, by any of them in
- 9 any of the following:

1 (1) A written notice of nonrenewal, or any other oral or written
2 communication specifying the reasons for nonrenewal of a policy
3 issued to a health care provider.

4 (2) Any communication providing information pertaining to the
5 nonrenewal.

6 (3) Evidence submitted at any court proceeding or informal
7 inquiry in which the nonrenewal is an issue.

8 (b) This section shall apply only to nonrenewals for which
9 written notice is provided by the insurer on or after January 1,
10 2006.

11 ~~(c) This section shall remain in effect only until January 1, 2011,~~
12 ~~and as of that date is repealed, unless a later enacted statute, that~~
13 ~~is enacted before January 1, 2011, deletes or extends that date.~~